

Message Text

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PAGE 01 NEW DE 08239 091422Z
ACTION FS-01

INFO OCT-01 NEA-10 ISO-00 ABF-01 EB-07 OMB-01 AID-05
/026 W

-----092323Z 001556 /15

R 091011Z JUN 77
FM AMEMBSSY NEW DELHI
TO U. S. TREASURY WASHDC
SECSTATE WASHDC 3970

LIMITED OFFICAL USE NEW DELHI 8239

TREASURY FOR ASSISTANT SECRETARY DAVID MOSSO

E. O. 11652:NA
TAGS: EFIN, IN
SUBJECT: INTEREST ON USDO 180-DAY TIME DEPOSITS

1. THE RESERVE BANK OF INDIA (RBI) ANNOUNCED ON MAY 27 THAT INTEREST RATES ON TIME DEPOSITS WOULD BE REVISED DOWNWARD WHEN THESE DEPOSITS ARE ROLLED OVER. THE U. S. EMBASSY, NEW DELHI, CURRENTLY HAS SIX 180- DAY TIME DEPOSITS AT THE THREE AMERICAN BANKS WHICH ARE EARNING INTEREST OF 5.5 PERCENT PER ANNUM. THE REVISED INTEREST RATE SCHEDULE LOWERS THE INTEREST REATE ON THESE DEPOSITS TO 4 PERCENT AND WE BELIEVE WE SHOULD MOVE OUR MONEY INTO ONE YEAR DEPOSITS WHICH WILL EARN INTEREST OF 6 PERCENT PER ANNUM.

2. AT THE END OF MAY, THE USDO IN NEW DELHI HAD A TOTAL OF RS. 815 MILLION IN 180-DAY TIME DEPOSITS WITH MATURITY DATES RANGING FROM JUNE 4 TO NOVERMBER 24, 1977. WITH THE REDUCTION IN THE INTEREST RATE TO 4 PERCENT. WE WOULD BE EARNING RS. 200 MILLION LESS OVER 10 YEARS THAN AT THE PREVIOUS RATES OF 5.5 PERCENT. IF WE INCREASE THE MATURITY OF OUR DEPOSITS FROM 180 DAYS TO ONE YEAR, WE WILL

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EARN INTEREST AT 6 PERCENT PER ANNUM AND OUR BALANCES WOULD INCREASE BY RS. 57 MILLION MORE THAN IF THE FUNDS HAD REMAINED AT 5.5 PERCENT.

3. WE WILL BE INFORMING THE AMERICAN BANKS OF OUR INTENTION TO SEEK TREASURY AUTHORIZATION SO THAT WE WILL BE IN A POSITION TO ACT ON JUNE 26 WHEN THE NEXT DEPOSIT MATURES.

4. ACTION REQUESTED: WHILE OUR DEPOSIT IN BANK OF AMERICA MATURING JUNE 4 HAS ALREADY BEEN ROLLED OVER. WE REQUEST THAT THE USDO, NEW DELHI, BE AUTHORIZED TO MOVE THE FOLLOWING FUNDS INTO ONE YEAR DEPOSITS AS THEY MATURE:

BANK	AMOUNT (RS MILLIONS)	DATE OF MATURITY
CITIBANK	71.7	JUNE 26, 1977
AMERICAN EXPRESS	265.6	JUNE 30, 1977
CITIBANK	72.3	AUGUST 27, 1977
CITIBANK	72.7	SEPT. 24 Q1977
CITIBANK	73.3	NOV. 24, 1977
BANK OF AMERICA GOHEEN	267.0	DEC 1, 1977

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INTEREST RATES, BANK DEPOSITS, FOREIGN INVESTMENTS
Control Number: n/a
Copy: SINGLE
Sent Date: 09-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977NEWDE08239
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770206-0817
Format: TEL
From: NEW DELHI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770674/aaaacmlq.tel
Line Count: 78
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 64291782-c288-dd11-92da-001cc4696bcc
Office: ACTION FS
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 09-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2215056
Secure: OPEN
Status: NATIVE
Subject: INTEREST ON USDO 180-DAY TIME DEPOSITS
TAGS: EFIN, US, IN
To: TRSY STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/64291782-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009